

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

181



FROM: Riverside County Information Technology (RCIT)

SUBMITTAL DATE:
December 10, 2015

SUBJECT: Authorize the County to enroll under the VMware Enterprise License Agreement (ELA) and return to the Board with a master lease agreement by February 9, 2016; [Districts All]; [Total:\$6,171,057]; [Annually:\$2,057,019] RCIT Operating Budget

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the County (including County-related entities also governed by the Board of Supervisors) to enroll under the VMware Enterprise License Agreement (ELA) program;
2. Authorize the County CIO and the Purchasing Agent to immediately negotiate agreements including related documents to be signed no later than December 31, 2015 as needed to implement the ELA program in an amount not to exceed \$6,171,057 over three years, with the Purchasing Agent authorized to sign the agreements and related documents as approved by County Counsel;
3. Authorize the CIO and the Purchasing Agent to negotiate a master lease agreement to finance performance under the ELA upon approval of the master lease agreement by County Counsel, and return the master lease agreement to the Board for final approval by February 9, 2016; and,

(continued)

Steve Reneker
Chief Information Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 2,057,019	\$ 6,171,057	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
SOURCE OF FUNDS: RCIT Operating Budget-ISF Fund				Budget Adjustment:	
				For Fiscal Year: 16/17 – 18/19	

C.E.O. RECOMMENDATION:

APPROVE

BY:

Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

Purchasing & Fleet Services:
 Teresa Summers, Assistant Director
 Departmental Concurrence

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.:

District: All

Agenda Number:

3-55

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Authorize the County to enroll under the VMware Enterprise License Agreement (ELA) and return to the Board with a master lease agreement by February 9, 2016; [Districts All]; [Total:\$6,171,057];

[Annually:\$2,057,019] RCIT Operating Budget

DATE: December 10, 2015

PAGE: 2 of 2

RECOMMENDED MOTION: (Continued)

4. Authorize the Purchasing Agent, based on availability of fiscal funding, to sign amendments that do not change the substantive terms of the agreement or increase the compensation provision not more than 15% annually, as approved by County Counsel.

BACKGROUND:

Summary

Riverside County would like to enter into an Enterprise License Agreement (ELA) with GST to be used countywide for VMware licenses, software maintenance and support, and cloud and professional services. VMware is the creator/owner of the software but the product is provided through third party retailers. These authorized resellers are the main point of contact for all licensing needs, technical support, training and professional service and will partner with RCIT and VMware to ensure all aspects of the ELA are met. The ELA will provide RCIT with the capabilities to support the consolidation of 51 county data centers into a centralized data center (RC3).

The securing of the ELA will enhance current RCIT efforts to increase virtualization throughout the county from 30% to 90%, driving an estimated \$13.5M in hardware spend reduction along with reducing the overall power and cooling consumption cost by an estimated \$2.5M over a three (3) year period as follows:

- Reduced server purchase requirements for replication of existing servers will reduce capex by \$8,183,919
- Pooling and sharing of storage space will contribute to a savings of \$1,087,292
- Lower network hardware requirements will provide a savings of \$2,968,000
- Reduced power consumption from operations and cooling will save 23.4M kWh of energy units - \$2,577,997
- 4,412 Sqft of real estate space saved @ \$276 per sqft/yr - \$1,217,712

It will also provide an advanced platform with which to build an automated, shared services model that will enable operational efficiency throughout the county estimated to save up to \$11.3M and 61,000 man-hours over a three (3) year period.

Impact on Citizens and Businesses

There is no negative impact on residents.

SUPPLEMENTAL:

Additional Fiscal Information

As RCIT builds the platform to support the consolidation into RC3, RCIT will leverage the software products available within the ELA to execute a migration/consolidation strategy that will drive an additional \$900,000 savings in data center migration cost.

Contract History and Price Reasonableness

On November 20, 2015 Purchasing released Request for Quote (RFQ) #ITARC-395 for VMware Enterprise License Agreement (ELA). Notification was posted publically as well as sent to nine VMware partner resellers. Fourteen (14) bidders responded to the RFQ and GST was found to be the lowest responsive responsible bidder. Quotes ranged from \$6,171,057 to \$7,393,039 for financing a three year ELA.

Approval of this request before the end of the calendar year will save cost as the pricing provided in the ELA is less than what list price would be through resellers for additional licensing needed for critical projects set to commence in early 2016. RCIT will return to the Board with a negotiated master lease agreement for the VMware ELA enrollment.



RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
To be completed for all departmental purchases of IT systems, services or renewals

PR2015-03339

Tracking Number for
Internal Use Only

REQUESTED PURCHASE: RIVERSIDE COUNTY VMWARE ELA 3 YEAR AGREEMENT																					
DEPARTMENT/AGENCY: RCIT																					
CONTACT NAME/PHONE: JIM SMITH (951)-955-1151																					
PURCHASE REQUEST: <input checked="" type="checkbox"/> NEW EQUIPMENT/SERVICES <input type="checkbox"/> UPGRADE <input type="checkbox"/> REPLACEMENT																					
PURCHASE TYPE: <input checked="" type="checkbox"/> PROFESSIONAL SERVICES <input checked="" type="checkbox"/> SOFTWARE <input type="checkbox"/> HARDWARE <input type="checkbox"/> RENEWAL																					
DESCRIBE REQUESTED PURCHASE	RCIT is pursuing a three (3) year agreement with VMware to decrease software and implementation costs to virtualize the county's server infrastructure. Annual VMware maintenance costs are estimated at \$2,050,000 per year. Potential savings over 3 year is estimated at \$23,572,130																				
BUSINESS NEEDS ADDRESSED	This effort will resolve the county's infrastructure inflexibility, eliminate operational inefficiencies.																				
ARE THERE ANY OTHER COUNTY SYSTEMS THAT PROVIDE THE SAME FUNCTIONALITY? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> UNKNOWN																					
BUSINESS CRITICALITY <input checked="" type="checkbox"/> Run the business <input checked="" type="checkbox"/> Grow the business <input checked="" type="checkbox"/> Transform the business	BUSINESS IMPACT (SELECT ALL THAT APPLY) <input checked="" type="checkbox"/> Support current operations <input checked="" type="checkbox"/> Reduce Expenses <input checked="" type="checkbox"/> Improve Customer Service <input checked="" type="checkbox"/> Improve Operational Efficiencies																				
BUSINESS RISKS	Financial: Operational: Customer:																				
ALTERNATIVE SOLUTIONS	1. [Solution] 2. [Solution] 3. [Solution]																				
TRANSACTION <input type="checkbox"/> Cash Purchase <input type="checkbox"/> Lease Purchase Lease Years: _____																					
PURCHASE COSTS Hardware: \$2,131,462 Software: \$4,817,911 Labor: \$1,326,485	COST BENEFIT ANALYSIS <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>ALTERNATIVE STATUS QUO</th> <th>ALTERNATIVE</th> <th>ALTERNATIVE</th> </tr> </thead> <tbody> <tr> <td>Current Annual Cost</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Ongoing Annual Cost</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Annual Cost Savings</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Net Annual Savings</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		ALTERNATIVE STATUS QUO	ALTERNATIVE	ALTERNATIVE	Current Annual Cost				Ongoing Annual Cost				Annual Cost Savings				Net Annual Savings			
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RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
 To be completed for all departmental purchases of IT systems, services or renewals

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TOTAL COST: \$8,275,858	Project Implementation Cost			
	Project Payback Period? yrs			

Department Head Signature: _____ Date: _____

RCIT RECOMMENDATION – for purchases and renewals under \$100,000

Recommended: Yes No (Non-recommended requests submit to TSOC)

By: _____ Date: _____

Chief Information Officer Signature: *[Signature]* Date: 11/20/15

RCIT explanation for non-recommended requests:

TSOC RECOMMENDATION: for purchases and renewals over \$100,000 and RCIT non-recommended purchases or renewals

Recommended: Yes No (In no, provide explanation below)

TSOC Chair Signature: *[Signature]* Date: 11/24/15

TSOC explanation for denied requests:
